

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1833 - SB 1953

February 20, 2018

SUMMARY OF BILL: Enacts the 2018 Second Amendment Protections Act. Authorizes any person who is in legal possession of a firearm and who is not otherwise prohibited from purchasing a firearm in the person's state of residence to carry a handgun with the intent to go armed. The person is entitled to the same defense and exceptions as a person who has been issued a handgun carry permit.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$6,036,100/Handgun Carry Permit Division
\$1,500,400/TBI**

**Decrease State Expenditures – \$6,036,100/Handgun Carry Permit Division
\$1,028,100/TBI**

Decrease Local Revenue – \$472,300/Sheriffs

Decrease Local Expenditures – \$192,800 Incarceration

Assumptions relative to incarceration:

- Tennessee Code Annotated § 39-17-1307(a) prohibits a person from carrying, with the intent to go armed, a firearm. A first offense is a class C misdemeanor, and a second or subsequent offense is a class B misdemeanor. The offense is a class A misdemeanor if the carrying occurred at a place open to the public where one or more persons were present.
- The proposed legislation adds a subsection to Tenn. Code Ann. § 39-17-1307 providing that any person who is in legal possession of a firearm and who is not otherwise prohibited from purchasing a firearm in the person's state of residence is authorized to carry a handgun with the intent to go armed. The person is entitled to the same defense and exceptions as a person who has been issued a handgun carry permit.
- The proposed legislation will impact not only misdemeanor convictions under Tenn. Code Ann. § 39-17-1307, but also applications and renewals for handgun carry permits, as any person able to legally possess a firearm could carry that firearm the same as someone with an issued handgun carry permit.

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- According to statistics from the Administrative Office of the Courts (AOC), there has been an average of 182.2 convictions per year for violations of Tenn. Code Ann. § 39-17-1307(a) over the last five years. These statistics represent convictions at the state court level. It is assumed that only 10 percent of misdemeanor convictions are at the state court level. It is assumed that there are a total of 1,822 convictions (182.2 x 10) per year for violations of Tenn. Code Ann. § 39-17-1307(a). However, there are three separate classifications of offense under Tenn. Code Ann. § 39-17-1307(a).
- Offenders rarely serve a period of confinement for class B or class C misdemeanors. The proposed legislation will not significantly decrease local incarceration costs for these convictions.
- Of the 1,822 convictions under Tenn. Code Ann. § 39-17-1307(a), 1,018 are for class A misdemeanor violations. Approximately 10 percent, or 102 offenders, are estimated to serve a period of confinement under current law for approximately 30 days in length. Pursuant to the provisions of this legislation, these offenders will no longer serve a period of confinement.
- The estimated 2018 cost per inmate per day for local jails is \$63.00.
- The proposed legislation will decrease local incarceration costs by \$192,780 (102 offenders x 30 days x \$63 per day).

Assumptions relative to handgun carry permits and renewals:

- The proposed legislation will decrease the number of persons applying for a handgun carry permit each year as well as the number of renewals each year.
- Under this legislation, only a person wishing to possess and carry a firearm in another state would need to have a handgun carry permit. It is assumed that most Tennesseans do not travel out-of-state with a firearm. It is further assumed that Tennesseans that do travel out-of-state with a firearm will not carry that firearm when in another state.
- It is therefore assumed that 60 percent of new applicants each year will decide not to obtain a handgun carry permit.
- It is further assumed that some permit holders will choose not to renew their permit. It is assumed that those renewing will represent Tennesseans who believe keeping their permit will serve them better should they use their handgun in public or business owners who keep a permit for liability reasons.
- It is therefore assumed that 40 percent of permit holders up for renewal each year will not renew.
- Statistics from the Department of Safety show an average of 52,480 applications for handgun permits each year and 100,012 renewals each year. Further, statistics show that 20 percent of those applying for a permit or renewing a permit elect to get a lifetime permit.
- The fee for a new applicant is \$100. From every new permit fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining the Automated Fingerprint Identification System (AFIS); \$32.65 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation fingerprint background checks for a total to TBI of \$47.65 (\$32.65 + \$15);

the remaining \$37.35 is retained by the Handgun Permit Division of DOS to specifically fund the administrative expenses of the division.

- The fee for a renewal is \$50, which is retained by DOS. The fee for a lifetime permit is \$200, which is retained by Safety.
- The proposed legislation will result in 31,488 (52,480 applications x 0.6 reduction) fewer applications being filed each year, 40,005 (100,012 renewals x 0.4 reduction) fewer renewals each year, and 14,299 [(31,488 applications + 40,005 renewals) x 0.2 lifetime reduction] lifetime permits not being sought.
- The proposed legislation will decrease recurring state revenue as follows:
 - Handgun Carry Permit Division – \$6,036,127 [(31,488 applications x \$37.35) + (40,005 renewals x \$50) + (14,299 lifetime x \$200)]; and
 - TBI – \$1,500,403 (31,488 applications x \$47.65).
- The proposed legislation will decrease recurring local sheriff revenue by \$472,320 (31,488 applications x \$15).
- The TBI will conduct fewer background checks under the proposed legislation. The proposed legislation will result in a recurring decrease in expenditures of \$1,028,083 (31,488 decreased applications x \$32.65).
- The Handgun Permit Division is funded by dedicated revenue through the handgun permit fee.
- It is assumed that any reduction in revenue to the fund will be met with a corresponding reduction in expenditures.
- The legislation will result in a total reduction in revenue to the Handgun Permit Division of \$6,036,127 [(31,488 applications x \$37.35) + (40,005 renewals x \$50) + (14,299 lifetime x \$200)]. It is assumed that the Handgun Permit Division will reduce its administrative expenditures by \$6,036,127. The division will likely reduce the administrative expenditures through a reduction in the workforce.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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